

Judge Marc L. Barreca
Hearing Location: Room 7106
700 Stewart St., Seattle, WA 98101
Hearing date: August 30, 2013
Hearing time: 9:30 a.m.
Response due: August 23, 2013

UNITED STATES BANKRUPTCY COURT FOR
THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

IN RE:) CHAPTER 7
ADAM GROSSMAN,) CASE NO. 10-19817
)
) TRUSTEE'S MOTION FOR ORDER CONFIRM-
) ING THAT REAL PROPERTY IS PROPERTY OF
) THE ESTATE; AND NOTICE OF HEARING
Debtor.)
)

TO: Creditors, Parties-in-Interest and the Clerk of the Court

I. NOTICE

PLEASE TAKE NOTICE that the below motion shall be heard on **Friday, August 30, 2013 at 9:30 a.m. before Judge Marc L. Barreca at the U.S. Bankruptcy Court, U.S. Courthouse, Room 7106, 700 Stewart Avenue, Seattle, Washington 98101**. The Clerk is requested to note the motion on the docket for that date and time.

PLEASE TAKE FURTHER NOTICE that, in accordance with local rules, any responses or objections to the below motion must be made in writing and the original filed with the US Bankruptcy Court, in Room 6301, US Courthouse, 700 Stewart Street, Seattle, Washington 98101, one copy served upon Judge Barreca via the Court's electronic case filing ("ECF") system or via the Clerk's Office, and one copy served upon the undersigned **no later than the "Response due" date shown in the upper**

1 right hand corner of this pleading. If responses or objections are not timely filed, the Court may strike
2 the hearing and enter an order granting the relief requested.

3 II. MOTION

4 COMES NOW Ronald G. Brown, the trustee in the above entitled case, and moves the Court for
5 an order as follows: (a) confirming that the real property located at 868 Montcrest Drive, Redding,
6 California (the “Montcrest Property”) is property of the estate; (b) amending the May 16, 2011 order
7 authorizing the Trustee’s employment of Rob Middleton and the House of Realty, Inc. (Docket No. 163)
8 to include the Montcrest Property among the property for which the Trustee may employ Mr. Middleton
9 as his real estate agent; and (c) authorizing the Trustee to execute any agreements, instruments or any
10 other documents which he deems, in his sole discretion, necessary to carry out the requested order.
11

12 A. Relevant Background

13 The relevant history and background, on a chronological basis, related to this motion may be
14 summarized as follows:

15 The present case was commenced under Chapter 11 on August 19, 2010. At the time of filing,
16 the Debtor and his then spouse, Jill Borodin, were engaged in dissolution proceedings in King County
17 Superior Court (Cause No. 09-3-02955-9-SEA, hereinafter, the “Dissolution Action””). On October 22,
18 2010, Ms. Borodin filed a motion for appointment of a Chapter 11 trustee [Docket No. 32]. In the
19 motion, Ms. Borodin stated that a trustee needed to be appointed for, among other reasons, the
20 following: (a) “With hundreds of thousands of dollars at stake, and the possibility of recovering large
21 sums as fraudulently and/or preferentially transferred, the cost of appointing a trustee in this case is
22 well-justified.” [Docket No. 32 at page 9, lines 2 - 8]; and (b) “[D]ue to the tremendous interest of the
23 creditors of the estate to recover substantial sums as fraudulent and/or preferential transfers, it is in the
24 best interests of creditors that the Debtor remain under the Bankruptcy Court’s supervision in a Chapter
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11.” [*Id.* at 10, lines 1 - 8.]¹

Ms. Borodin filed an ex parte motion on November 9, 2010 requesting confirmation that the automatic stay was not in effect pursuant to §362(c)(4) (due to two Chapter 11 case filings of the Debtor within the year prior to filing the present case). On November 12, 2010, the Court entered an order on Ms. Borodin’s ex parte motion wherein it held that “The automatic stay under 11 U.S.C. §362(a) is not in effect.” Docket No. 61.

A divorce decree was entered in the Dissolution Action on December 14, 2010 (the, “Decree”). A copy of the relevant excerpts of the Decree is attached as Exhibit A to the Declaration of Trustee’s Attorney in Support of Motion for Order Confirming That Real Property Is Property of the Estate (hereinafter, the “Declaration”, a copy of which is on file with the Court and available via ECF). The Decree characterized and divided the marital property. The Decree recognized that the Montcrest Property was community property and awarded it to Ms. Borodin. The Decree further provided for the Debtor to transfer the Montcrest Property to Ms. Borodin and if he did not, for a third party to be appointed under CR 70 to make the transfer.

The Bankruptcy Court granted Ms. Borodin’s motion for appointment of a trustee on December 22, 2010. Ronald G. Brown was thereafter appointed trustee.

Post-bankruptcy, the Debtor transferred his interest in the Montcrest Property and various other pieces of real property without Court authorization (hereinafter collectively the, “Transfers”). The Trustee commenced an adversary proceeding to avoid the Transfers (Adversary Proceeding # 11-01954 which is hereinafter called, the “Adversary Action”).² The Court subsequently entered a series of

¹ In her motion for appointment of a trustee, Ms. Borodin acknowledged that among the potential claims a trustee would pursue is avoidance of post-bankruptcy transfers. *See*, Docket No. 32 at 6, lines 29 - 43 and at 7, lines 1-3.

² The Adversary Action was commenced after the date of entry of the order, upon the Trustee’s motion, converting the case to Chapter 7 (March 11, 2011). Ronald G. Brown was appointed as the Chapter 7 trustee.

1 default orders and default judgments avoiding the Transfers. Docket Nos. 30, 82 and 123.³ In the
2 Findings of Fact Conclusion of Law and Default Judgment [Docket No. 30], the Court ordered, among
3 other things, that the Montcrest Property together with the other real property subject to the Action “is
4 quieted in the name of the trustee” as against defendant, Keywest Financial LLC.

5 The Trustee and Ms. Borodin negotiated a settlement, subject to Court approval, regarding the
6 disposition of the Montcrest Property. The main terms of that settlement may be summarized as
7 follows: The parties would stipulate that the Montcrest Property is property of the estate for purposes of
8 the settlement and the Adversary Action. The Trustee would sell the property and obtain any further
9 necessary orders to avoid and wipe out all post-petition liens relating thereto. The net proceeds of sale
10 would be used to pay the legal fees related to the Trustee’s avoidance of liens and sale of the property.
11 The balance of the net proceeds would be paid to Ms. Borodin except to the extent of \$10,000 which
12 would be applied to pay any community property claims Ms. Borodin was ordered to pay in the
13 Dissolution Action.⁴ After notice and hearing, the Court denied the motion to approve the settlement.
14 The Trustee subsequently pursued negotiations with Ms. Borodin regarding a revised settlement which
15 were unsuccessful. Since negotiations broke down, the Trustee has further researched the status of the
16 Montcrest Property and concluded that it more than likely is property of the estate.⁵ Accordingly, he
17 seeks an order confirming that the Montcrest Property is property of estate so that he can move forward
18 with liquidating it (the last known asset of the estate) and close the case.

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25 ³ The Court entered a default judgment in the Action avoiding the transfer of the Montcrest Property against Defendant, Evergreen Home Mortgage Services, Inc. Docket No. 123. In addition, the Court entered an order of default as to the only other known party claiming any title to the Montcrest Property, the 868 Montcrest Drive Family Trust.

26 ⁴ As of the time of the settlement, there did not appear to be any claims filed in the bankruptcy that fall within that category.

27 ⁵ This represents a change in the Trustee’s understanding and position. In prior pleadings, the Trustee indicated his understanding that the Montcrest Property was not property of the bankruptcy estate but, notwithstanding same, the equity in the property had to be used to pay the community claims of the bankruptcy estate.

1 Rob Middleton has served as the Trustee's real estate agent pursuant to order entered on May 16,
2 2011 [Docket No. 163, hereinafter the "May 16th Order"]. With Mr. Middleton's assistance, upon Court
3 authorization, the Trustee sold two properties located in Redding. Based upon informal consultations
4 with Mr. Middleton, the Trustee believes that the Montcrest Property has a value of about \$205,000.
5 The Trustee has reviewed a title report for the Montcrest Property. It shows that the it ostensibly the
6 property is titled in the name of Terrington Davies Capital Management, LLC ("Terrington") and that
7 the only encumbrance against the Property, taking into account the avoidance of Transfers described
8 above, is a purported post-bankruptcy deed of trust for the benefit of Ptarmigan Real Estate Fund LLC
9 ("Ptarmigan) for \$18,000. Terrington and Ptarmigan are entities used by the Debtor to, among other
10 things, carryout the transfer of the Debtor's interest in the Montcrest Property on an unauthorized basis.
11 Both entities are solely owned by the Debtor. If the Court grants the present motion, the Trustee will
12 employ Mr. Middleton as his real estate agent to sell the Montcrest Property on the same terms proposed
13 in the motion upon which the May 16th Order was entered (providing for a commission of 6% of the
14 gross sale price). A copy of Mr. Middleton's proposed listing agreement is attached to the Declaration
15 as Exhibit B.⁶

16
17 B. Analysis
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19 Under well established bankruptcy law as of the date of bankruptcy filing, any separate property
20 of Mr. Grossman as well as any property of the Grossman/Borodin marital community became property
21 of the bankruptcy estate. 11 USC §541(a). Thus among other real property, the Montcrest property,
22 which was indisputably property of the marital community (a fact confirmed by the Decree), became
23 property of the bankruptcy estate on the date of filing. The Decree was entered after the bankruptcy but
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25
26⁶ The copy of the agreement attached as Exhibit B is in substantially the form expected which the Trustee expects to execute.
27 The Trustee, however, reserves all rights to revise the agreement to the extent he deems it necessary and appropriate to
comply with applicable bankruptcy law.

before any trustee was appointed. There is nothing of which the Trustee is aware in the Decree or order confirming that the stay was not in effect that stripped title to the Montcrest Property from the bankruptcy estate. A Bankruptcy Court's order granting relief from the stay is strictly construed. *See, In re Wardrobe*, 559 F.3d 932, 935 (9th Cir. 2009). In any event, Bankruptcy Courts have original and exclusive jurisdiction over property of a bankruptcy estate. 28 U.S.C. §§1334(a) and 1334 (e). *See, In re William N. Simon*, 153 F.3d 991 (9th Cir.1998). The Superior Court thus did not have jurisdiction, notwithstanding that the stay was not in effect, to enter an order removing the Montcrest Property from the bankruptcy estate. Furthermore, neither Ms. Borodin nor any third party have the power to transfer title of the Montcrest Property. Only the Trustee has the power subject to his avoidance of the Debtor's unauthorized post-bankruptcy transfer thereof.⁷

The Montcrest Property is thus property of the bankruptcy estate and the Trustee is entitled to entry of an ordering confirming same.

Any party who desires any further information regarding this motion, should contact the undersigned.

Conclusion

Therefore, the Trustee requests that the Court enter an order granting this motion.

DATED this 15th day of July, 2013

KRIEGLAW OFFICE, PLLC

/s/ Bruce P. Kriegman

Bruce P. Kriegman, WSBA #14228
Attorney for Trustee

⁷ The State Court lacks the power to effectuate any different outcome since it has no authority over the bankruptcy estate or the Trustee.

Judge Marc L. Barreca
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UNITED STATES BANKRUPTCY COURT FOR
THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

IN RE:

ADAM GROSSMAN,

Debtor.) CHAPTER 7
Debtor.) CASE NO. 10-19817
Debtor.)
Debtor.) DECLARATION OF TRUSTEE'S ATTORN-
Debtor.) EY IN SUPPORT OF MOTION FOR ORDER
Debtor.) CONFIRMING THAT REAL PROPERTY IS
Debtor.) PROPERTY OF THE ESTATE
Debtor.)

I, Bruce P. Kriegman, declare under penalty of perjury under the laws of the United States of America that the following is true and correct to the best of my knowledge:

1. I am over the age of 18 years old and make this declaration based upon personal knowledge.

2. I am serving as attorney for Ronald G. Brown, the Trustee, in the above-entitled case and submit this declaration in support of the Trustee's Motion for Order Confirming That Real Property is Property of the Estate (the, "Motion").

3. Attached hereto as Exhibit A is a copy of relevant excerpts of the Decree of Dissolution referenced in the Motion which was entered in the dissolution proceedings between the Debtor and Jill Borodin in King County Superior Court Cause No. 09-3-02955-9-SEA 4.

1 4. Attached hereto as Exhibit B is a copy of the proposed listing agreement for the real
2 property located at 868 Montcrest Drive, Redding, California (aka the, "Montcrest Property") from
3 Redding real estate agent, Rob Middleton.,

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5 /s/ Bruce P. Kriegman
6 Bruce P. Kriegman

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10 July 15, 2013 / Seattle, WA
11 Date/Place
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EXHIBIT A

IN THE SUPERIOR COURT OF WASHINGTON
IN AND FOR KING COUNTY

In re the Marriage of: JILL IRINA BORODIN, Petitioner, NO. 09-3-02955-9 SEA and Respondent,)) DECREE OF DISSOLUTION (Marriage)

ADAM REED GROSSMAN,)) [X] CLERK'S ACTION REQUIRED
[X] LAW ENFORCEMENT
NOTIFICATION, ¶3.10 BELOW
See paragraph 3.10))

I. JUDGMENT/ORDER SUMMARIES

1.1 RESTRAINING ORDER SUMMARY.

Restraining Order Summary is set forth below:

| | |
|-------------------------------|-------------------------|
| Name of person(s) restrained: | <u>ADAM R. GROSSMAN</u> |
| Name of person(s) protected: | <u>JILL I. BORODIN</u> |
| See paragraph 3.10 | |

Violation of a Restraining Order in Paragraph 3.10 Below With Actual Knowledge of its Terms is a Criminal Offense Under Chapter 26.50 RCW and Will Subject the Violator to Arrest. RCW 26.50.050.

Decree (ODD) - Page 1 of 13
WPF DR 04/04/00 Mandatory (6/2008) - RCW 26.09.030;
040.070 (3)

CRIMINAL

Decree (DCD) - Page 2 of 13
WPF DR 04:0400 Mandatory (6/2008) - RCW 26.09.030;
.040; .070 (3)

1
2 1.2 REAL PROPERTY JUDGMENT SUMMARY.

3 Real Property Judgment Summary is set forth below:

4 Assessor's property tax parcel number: 020850-0100-8 (Washington home)

5
6 1.3 MONEY JUDGMENT SUMMARY.

| | |
|--|-----------------------------------|
| A. Judgment Creditor | Jill I. Borodin |
| B. Judgment Debtor | Adam Reed Grossman |
| C. Principal Judgment Amount (Property Settlement) | \$55,485.00 55,485 TBC |
| D. Interest to date of Judgment | N/A |
| E. Attorney's Fees | N/A |
| F. Costs | |
| G. Other Recovery Amount: | |
| H. Principal judgment shall bear interest at 12% per annum. | |
| I. Attorney's fees, costs and other recovery amounts shall bear interest at 12% per annum. | |
| J. Attorney for Judgment Creditor | Karma L. Zaika |
| K. Attorney for Judgment Debtor | Emily J. Tsai |

(6/3)

15 END OF SUMMARIES

16 II. BASIS

17 Findings of Fact and Conclusions of Law have been entered in this case.

18

19 IT IS DECREED that:

20 3.1 STATUS OF THE MARRIAGE.

21 The marriage of the parties is hereby dissolved. Further references to the "Wife" shall
22 be synonymous with the Petitioner, JILL I. BORODIN. Further references to the
23 "Husband" shall be synonymous with the Respondent, ADAM R. GROSSMAN.

24 3.2 REAL PROPERTY.

25

3.2.1 6821 39th Avenue NE, Seattle, Washington. The court finds that this property is community property. This property was purchased by the parties during their marriage. The court acknowledges that the husband signed a Quit Claim deed to the home in June, 2005, Exhibit 55. However, first and second mortgages on the home (Exhibits 29 and 30 respectively) were arranged by the husband, held only in the Wife's name, and the loan proceeds of \$101,617 were taken from the equity of the home and transferred to husband's businesses. (Exhibits 3, pg. 30, 349, 351, Tab F). The only testimony as to the value of the home was presented by the Wife to be \$480,000. There was no dispute that there were two mortgages which totaled over \$600,000 leaving negative equity of \$120,000, which is a community debt.

6 This property is awarded to the Wife as her sole and separate property, free and clear of any interest in the Husband. The Wife shall henceforth assume and pay all taxes, utilities, insurance, mortgage and other obligations on said property and hold the Husband harmless and indemnify him from any liability thereon.

7 12

8 13 3.2.2 868 Monterest Drive, Redding, CA, Exhibit 351, Tab E, p. 31. The court finds that this property was purchased with community funds and is community property. This property is awarded to the wife.

9 14 15 The husband shall immediately sign all documents necessary to effectuate a prompt transfer of this property to the wife. If the Husband refuses to cooperate with immediate transfer of the property to the Wife, then attorney Krystina Larch or Margaret Doyle Fitzpatrick are appointed pursuant to CR 70 as a Commissioner in Fact to sign any necessary documents in the husband's stead.

16 17 18 19 20 The husband shall have the affirmative duty to disclose all aspects of ownership of title property to the wife and he shall further cooperate in signing any documents necessary to transfer the home to the Wife. The husband shall report the sale on his tax return and he shall bear any tax consequences of the sale.

21 22 23 24 25 3.2.3 20710 Glenview Drive, Cottonwood, CA. The court finds that this property was purchased during the marriage and is community property. This property is awarded to the husband.

Decree (DCD), Page 2 of 13
WPF DR 04:0400 Mandatory (6/2008) - RCW 26.09.030;
.040; .070 (3)

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authorized and directed to accept the Decree or a properly certified copy thereof in lieu of the document regularly required for the conveyance or transfer.

3.17.7 **Protective order for wife's confidential health care records.** Testimony revealed that the husband had obtained confidential health care records belonging to the Wife associated with marital therapy. Mr. Grossman is ordered to immediately turn over all copies in his possession to Rabbi Borodin's attorney, any documents in his possession or over which he has control related to marital counseling or any other medical or mental health record. Mr. Grossman shall destroy and confirm in a sworn statement to Rabbi Borodin that he has destroyed all electronic versions of any health care records. The making of additional copies shall be prohibited, in any format or means, including digitization, scanning, Xeroxing, photographing, etc., except as stated above.

12 DATED: 12/14/10 JUDGE MARIANE SPEARMAN

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14 Petitioner or Petitioner's Attorney:
15 [X] Presented by:
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Jill Borodin JILL BORODIN,
Attorney for Petitioner/Wife
Date: 12/14/10 4 Dec 14, 2010

Emilia Tsai
EMILY J. TSAI, WWSA #21180
Attorney for Respondent/Husband
Date: 12/14/10

Adam Grossman
ADAM R. GROSSMAN,
Respondent/Husband
Date: 12/14/10

I have read this.

Decree (DCD) - Page 12 of 13
WPF DR 04/04/00 Mandatory (6/2008) - RCW 26.09.030;
.040; .070 (3)

20. DISPUTE RESOLUTION:

A. MEDIATION:

Seller and Broker agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph 20B(2) below. Paragraph 20B(2) below applies whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved if, for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to the party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIATED.

B. ARBITRATION OF DISPUTES:

- (1) Seller and Broker agree that any dispute or claim in law or equity arising between them regarding the obligation to pay compensation under this Agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraph 20B(2) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California law. The parties shall have the right to discovery in accordance with California Code of Civil Procedure §1833.5. In all other respects, the arbitration shall be conducted in accordance with Title 9, Part III of the California Code of Civil Procedure, judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.
- (2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installation land sale contract as defined in California Civil Code §2885; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action, including the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

C. OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION:

Seller's initials _____ / _____

Broker's initials _____ / _____

By signing below, Seller acknowledges that Seller has read, understands, received a copy of and agrees to the terms of this Agreement.

Seller _____
Address _____
Telephone _____
Seller _____
Address _____
Telephone _____
Fax _____
Email _____

R.G. Brown Bankruptcy Trustee Date _____
City _____ State _____ Zip _____

Real Estate Broker (Firm) House of Realty, Inc. Rob Middleton DRE Lic. # 549124
By (Agent) _____
Address 1707 Placer Street, City Redding, State CA Zip 26601
Telephone (530) 241-3377 Fax (530) 241-4860 E-mail rob@caltestate-redding.com

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255 South Figueroa Street, Los Angeles, California 90020
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RLA REVISED 11/11 (PAGE 4 OF 4)

RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 4 OF 4)



C A L I F O R N I A
A S S O C I A T I O N
O F R E A L T O R S

SELLER'S ADVISORY
(C.A.R. Form 54, Revised 11/11)

(Property)

Property Address: 868 Montceau Drive, Redding, CA 96003

1. INTRODUCTION:

Selling property in California is a process that involves many steps. From start to finish, it could take anywhere from a few weeks to many months, depending upon the condition of your Property, local market conditions and other factors. You have already taken an important first step by listing your Property. Some of these things are requirements imposed upon you, either by law or by the listing or sale contract. Others are simply practical matters that may arise during the process. Please read this document carefully and, if you have any questions, ask your broker or appropriate legal or tax advisor for help.

2. DISCLOSURES:

A. General Disclosure Duties: You must affirmatively disclose to the buyer, in writing, any and all known facts that materially affect the value or desirability of your Property. You must disclose these facts, whether or not asked about such matters by the buyer, any broker, or anyone else. This duty to disclose applies even if the buyer agrees to purchase your Property in its present condition without requiring you to make any repairs. If you do not know what or how to disclose, you should consult a real estate attorney in California of your choosing. Broker cannot advise you on the legal sufficiency of any disclosures you make. If the Property you are selling is a residence with one to four units, except for certain subdivisions, your broker also has a duty to conduct a reasonably competent and diligent visual inspection of the accessible areas and to disclose to a buyer all adverse material facts that the inspection reveals. If your broker discovers something that could indicate a problem, your broker must advise the buyer.

B. Statutory Duties: (For one-to-four Residential Units):

(1) You must timely prepare and deliver to the buyer, among other things, a Real Estate Transfer Disclosure Statement ("TDS"), and a Natural Hazard Disclosure Statement ("NHD"). You have a legal obligation to honestly and completely fill out the TDS and in its entirety. Many local entities or organizations have their own supplement to the TDS that you may also be asked to complete. The NHD is a statement indicating whether your Property is in a certain designated flood, fire or earthquake/seismic hazard zones. Third-party professional companies can help you with this task. You can receive limited legal protection by providing, the buyer with brochures entitled "The Homeowner's Guide to Earthquake Safety," "The Commercial Property Owner's Guide to Earthquake Safety," "Protect Your Family From Lead In Your Home and Environmental Hazards: A Guide For Homeowners and Buyers." Some of these brochures may be packaged together for your convenience. The earthquake guides ask you to answer specific questions about your Property's structure and preparedness for an earthquake. If you are required to supply the booklet about lead, you will also be required to disclose to the buyer any known lead-based paint and lead-based paint hazards on a separate form. The environmental hazards guide informs the buyer of common environmental hazards that may be found in properties.

(3) If you know that your property is: (i) located within one mile of a former military ordnance location; or (ii) or is affected by a zone or district allowing manufacturing, commercial or other use, you must disclose this to the buyer. You are also required to make a good faith effort to obtain and deliver to the buyer disclosure miles from the appropriate local agency(ies) about any special tax levied on your Property pursuant to the Mello-Roos Community Facilities Act, the Improvement Bond Act of 1915, and a notice concerning the contractual assessment provided by section 5590.24 or the Streets and Highways Code (collectively, "Special Tax Disclosures").

(4) If the TDS, NHD, or lead, military ordinance, commercial zone or Special Tax Disclosures are provided to a buyer after you accept that buyer's offer, the buyer will have 3 days after delivery (or 5 days if mailed) to terminate the offer, which is why it is extremely important to complete these disclosures as soon as possible. There are certain exemptions from these statutory requirements; however, if you have actual knowledge of any of these items, you may still be required to make a disclosure as the items can be considered material facts.

C. Death and Other Disclosures: Many buyers consider death on real property to be a material fact in the purchase of property. In some situations, it is undesirable to disclose that a death occurred or the manner of death; however, California Civil Code Section 1710.2 provides that you have no disclosure duty "where the death has occurred more than three years prior to the date the transferor offers to purchase, lease, or rent the real property, or [regardless of the date of occurrence] of an occupant of that property was affixed with, or died from, Human T-lymphotropic Virus (HTLV) lymphadenopathy, Associated Virus." This law does not "immunize an owner or his or her agent from making an intentional misrepresentation in response to a direct inquiry from a transferee or a prospective transferee of real property concerning deaths on the real property."

D. Condominiums and Other Common Interest Subdivisions: If the Property is a condominium, townhouse, or other property in a common interest subdivision, you must provide to the buyer copies of the governing documents, the most recent financial statements distributed, and other documents required by law or contract. If you do not have a current version of these documents, you can request them from the management of your homeowner's association. To avoid disputes, you are encouraged to obtain these documents as soon as possible, even if you have not yet entered into a purchase agreement to sell your Property.

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SA REVISED 11/11 (PAGE 1 OF 2)

SELLER'S ADVISORY (SA PAGE 1 OF 2)

Agent: Rob Middleton, Phone: (530)241-4860

Fax: (530) 241-4860

Prepared using zipForm® software

Seller's initials _____ / _____

Broker's initials _____ / _____

Reviewed by _____ Date _____



California Association of Realtors

RLA REVISED 11/11 (PAGE 4 OF 4)

RESIDENTIAL LISTING AGREEMENT - EXCLUSIVE (RLA PAGE 4 OF 4)

Broker's initials _____

Reviewed by _____ Date _____

California Association of Realtors

Judge Marc L. Barreca

UNITED STATES BANKRUPTCY COURT FOR
THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

IN RE:) CHAPTER 7
ADAM GROSSMAN,) CASE NO. 10-19817
)
) ORDER CONFIRMING THAT REAL PROPERTY
) IS PROPERTY OF THE ESTATE
Debtor.)
)

THIS MATTER came before the Court upon the Trustee's Motion for Order Confirming That Real Property is Property of the Estate; and Notice of Hearing (the, "Motion"). The Court considered the Motion, the Declaration of Trustee's Attorney in Support of Motion for Order Confirming That Real Property Is Property of the Estate with exhibits, the pleadings and records in the above entitled case. The Court finds that the proper notice of the Motion was given, that the real property located at 868 Montcrest Drive, Redding, California (the "Montcrest Property") is community property that was among the property of the bankruptcy estate as of the date of bankruptcy filing, that all community property as of the date of filing constitutes property of the bankruptcy estate in the above-entitled case, that the

ORDER - 1

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1 Montcrest Property is property of the bankruptcy estate pursuant to 11 U.S.C. §541(a) and other
2 applicable law, that the order which the Court entered on May 16, 2011 (Docket No. 163, hereinafter,
3 the “May 16th Order”) that authorized the Trustee to employ Rob Middleton and the House of Realty,
4 Inc. (collectively, “Middleton”) as his real estate agents should be amended to authorize the Trustee to
5 employ Middleton to list and sell the Montcrest Property, that the Trustee should be authorized to
6 execute any agreements, instruments or any other documents which he deems, in his sole discretion,
7 necessary to carry out this order and that the Motion should be granted in all respects. NOW,
8 THEREFORE,

9
10 IT IS HEREBY ORDERED as follows;

11 1. The Motion is granted.

12 2. The Montcrest Property is property of the bankruptcy estate in the above-entitled case.

13 3. The May 16th Order is amended to allow the Trustee to employ Middleton to list and sell
14 the Montcrest Property. Such employment shall be on the same terms and conditions identified in the ex
15 parte motion for employment of Middleton (providing for a commission of 6% of the gross sale price)
16 granted pursuant to the May 16th Order with all compensation subject to Court order upon notice to
17 creditors and hearing.

18 4. The Trustee is authorized to execute any agreements, instruments or any other documents
19 which he deems, in his sole discretion, necessary to carry out this order.

20
21 //END OF ORDER//

22
23 Presented by:

24
25 KRIEGMAN LAW OFFICE, PLLC

26
27 /s/ Bruce P. Kriegman

Bruce P. Kriegman, WSBA #14228
Attorney for Trustee

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